
Information Item

California Postsecondary Education Commission

Policy Principles Relating to Resident Student Charges at California's Public Universities

In 1996, the State's former statutory policy relating to student fees at the State's public universities sunset. Since that time, the State has had no policy in statute relating to how student charges at its public universities are to be set or adjusted.

Given the lack of a statutory fee policy and the State's deteriorating fiscal situation, during the 2002-03 State budget deliberations, Commission staff drafted Supplemental Report Language that directed it to convene various parties to develop long-term student fee policy recommendations for the Legislature's consideration. The language was adopted by the Legislature, albeit slightly revised, and requests that the Commission forward its student fee policy recommendations to the Legislature by December 1, 2002. A copy of this language appears as part of the agenda item.

Since May 2002, Commission staff has been convening meetings of interested parties to discuss and develop a set of student fee recommendations as requested. A listing of the individuals invited to participate in these discussions is also presented with this agenda item.

After six meetings and extensive informal consultation, the advisory group has reached general agreement about a series of policy principles that should guide the adjustment of student charges at the State's public universities. These principles are presented for the Commission's review, comment, and discussion.

At the Commission meeting, staff will briefly review these policy principles and discuss future plans in this area. Staff anticipates continuing its discussions with interested parties to determine how these student fee policy principles can be placed into operation and implemented.

At this point in time, however, the Commission and its staff are not advocating any increases in student charges. Commission staff will continue its discussions with the advisory committee and other interested parties to determine if, and how, student charges should be adjusted in the future.

Finally, one cannot discuss student charges without consideration of a whole host of other financing, student access, student financial aid, and operational issues. As the principles indicate, the determination of student fee levels along with State resources directly impacts issues such as educational quality, student access, and student financial aid. Therefore, these principles attempt to strike an appropriate balance between these many competing issues and needs.

At its December meeting, the Commission will consider this issue -- including the enclosed policy principles -- for potential action. If the Commission approves the item at its December meeting, its recommendations will be forwarded to the Governor and the Legislature for their consideration.

Presenter: Karl Engelbach.



Policy Principles Relating to Resident Student Charges at California's Public Universities

Preamble to the State's resident student fee policy principles

The State has long recognized the value of providing broad access to postsecondary education to the State's citizens. It has demonstrated that commitment by investing in postsecondary education and maintaining public student fee levels that are fiscally responsible and as low as possible. The student fee principles expressed in this document seek to continue the State's historic commitment to guaranteeing access and quality, while recognizing the fiscal challenges that confront the State and its public colleges and universities.

Historically, the State has borne the preponderance of responsibility for providing the fiscal resources necessary to ensure that all eligible State residents have access to high quality educational opportunities at the State's public colleges and universities. Further, the State bears the principle and overarching responsibility for ensuring that all financially needy students have the financial assistance necessary for them to enroll in and complete their postsecondary education objectives.

Changes in resident student charges or in student financial aid funding or packaging policies should take into consideration the total cost to the student of attending the university, including mandatory campus-based student fees, housing and living expenses, as well as all other expenses associated with college and university attendance.

The following principles related to student charges at the State's public universities are based upon the State assuming and providing the resources associated with these State-identified responsibilities and issues.

State policy principles relating to mandatory systemwide resident student charges

The following state policies regarding mandatory systemwide resident student charges are hereby established:

- ♦ The total cost of a public postsecondary education shall be a shared responsibility of students, families, and the State of California. However, in order to keep resident undergraduate student charges at the State's public universities as low and affordable as possible, the State shall bear the preponderance of responsibility for funding postsecondary education;
- ♦ So that students and their families can better prepare financially for college expenses, any changes in resident student charges should be,

to the extent possible, gradual, moderate, and predictable. Any potential adjustments in resident student charges should take into consideration and be balanced with available State General Fund revenues to ensure that the access, quality, and affordability of the State's public colleges and universities are not adversely affected;

- ♦ Changes in resident student charges should recognize both the total cost of educating a student as well as published indices reflecting families' ability to pay, such as the percentage change in per capita personal income. The purpose of recognizing such indices is to better ensure that changes in resident student charges are gradual and moderate;
 - ♦ To the extent that budget decisions are made in a timely manner, adequate advance notice should be provided to students regarding future student charges, thereby allowing them and their families greater time to prepare for the charges to be assessed them;
 - ♦ Students enrolled in graduate and professional programs that provide the prospect of significant personal economic returns may be assessed higher student charges;
 - ♦ Student fee and financial aid policies should encourage and promote the timely completion of the requirements necessary for degree attainment;
 - ♦ To ensure that financially needy students are provided assistance in managing the total cost of their university attendance, financial aid programs -- including institutional aid -- should be aligned with the needs of the systems' student populations and student charges; and
 - ♦ Revenues derived from student charges should remain within the respective university system's budget to benefit the students enrolled within the system.
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Supplemental Report Language to the 2002-03 State Budget Relating to Development of a Long-Term Student Fee Policy

The Legislature requests CPEC convene interested constituent groups, including but not limited to, the postsecondary education systems, students, the Department of Finance, the Legislative Analyst's Office (LAO), and the California Student Aid Commission (SAC) to develop, for future legislative consideration, a long-term student fee policy for California's public university systems. In developing a long-term student fee policy recommendation, the commission should carefully consider the impact of its recommendations on each of the following: (a) state General Fund revenues, (b) student access to higher education, (c) student financial aid needs and requirements, (d) the resources needed by the state's public university systems to offer high quality instructional programs, and (e) effects on various identifiable student populations.

In developing the long-term student fee policy recommendations, the commission shall consider that it is the state's responsibility to be the primary funding source of postsecondary education, as noted in the *Master Plan for Higher Education in California*.

The commission should pay particular attention to the consequences of its policy recommendations on the state's historic policies of access, choice, equity, and quality (including breadth of the instructional programs, average student time to degree, and total cost of baccalaureate attainment for the student), and should include, in the report, information relating to the real impacts the recommendations could have on various identifiable student populations. The commission shall forward its recommendations to the Legislature by December 1, 2002, for further legislative consideration.

Invitees to the Commission's Student Fee Policy Discussions

Association of Independent California Colleges and Universities Representatives

Jonathan Brown
Veronica Villalobos
Juan Yniguez

California Community College Representatives

Tim Bonnel
Judith James
Vicki Morrow
Gwyneth Tracy
Robert Turnage

California State University Representatives

Glen Ducat
Patrick Lenz
Rodney Rideau
Richard West
Karen Yelverton-Zamarripa

California Student Aid Commission Representatives

Steve Caldwell
Lisa Rohmer
Sarah Tyson

Department of Finance Representatives

Oscar Chaves
Jim Foreman
Chris Hill

Legislative Analyst's Office Representatives

Steve Boilard
Jennifer Kuhn
Sona Nagar
Anthony Simbol

Legislative Staff Representatives

Danny Alvarez
Terry Anderson
Nancy Anton
Amanda Canning
Kathleen Chavira
Walker Dearth
Max Espinoza
Marlene Garcia
Catherine Hazelton
Cory Jaspersen
Kris Kuzmich
Roger Mackensen
Melinda Melendez
Paul Mitchell
Jason Murphy
Michael Ricketts
Kerri Ruzicka
Amy Supinger
Sara Swan
Laura Zuniga

Secretary of Education's Office Representatives

Meghana Acharya
Natalie Stites

Student Association Representatives

Alexander Arteaga (UCSA)
Laura Kerr (CSSA)

University of California Representatives

Steve Arditti
Hilary Baxter
Todd Greenspan
Larry Herschman
Debbie Obley
Patricia Romero

CPEC Student Commissioner

Rachel Shetka
